GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3716
ANSWERED ON:09.08.2016
Heavy Engineering Corporation Ltd.
Choudhary Shri Ram Tahal;Giluwa Shri Laxman

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) the loss suffered and profit earned by the Heavy Engineering Corporation (HEC) during each of the last five years;
(b) whether the HEC has gained a profit of Rs. 29931 crore in 2013-14 and after one year it suffered loss of Rs. 24169 crore in 2014-15;
(c) if so, the details thereof and the reasons for the huge loss of Rs. 54100 crore in two years;
(d) whether the Government has fixed the responsibility for the said loss; and
(e) if not, the reasons therefor along with the further steps proposed to be taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI BABUL SUPRIYO)

(a): Heavy Engineering Corporation (HEC), Ranchi, has informed that the loss /profit earned by the Company in the last five years is as indicated in the table below:
(figures in crs of Rs)
2010-11 2011-12 2012-13 2013-14 2014-15
Profit before extra-ordinary earnings and Tax
38.14
8.58
20.38
-151.74
-241.69
Profit after Tax 38.14 8.58 20.38 299.31 -241.69

(b) to (e): HEC has not gained a profit of Rs 29931 crore in 2013-14. HEC has informed that it had made operational loss of Rs(-)151.74 cr in 2013-14 and Rs(-) 241.69 cr in 2014-15 and that the net profit of Rs 299.31cr made in 2013-14 is due to the fact that the reliefs /assistance that were received from Government of Jharkhand in terms of the approvals given by the Government in 2005 and 2008 for revival of HEC, were taken in the book of accounts of HEC in 2013-14.

Performance of HEC has deteriorated in the last five years due to acute problems on productivity front primarily due to the capacity constraints of the old plants and machineries which were mostly installed in the early 60s and due to acute shortage of working capital among other reasons. Government reviews the performance of companies under it and takes suitable corrective action from time to time.

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